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October 10, 2006

VIA ELECTRONIC SUBMISSION

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W., Room TWB-204
Washington, D.C. 20554

**RE: Ex Parte Notice, Special Access Rates for Price Cap Local
Exchange Carriers, WC Docket No. 05-25;
AT&T Corp. Petition for Rulemaking to Reform Regulation of Incumbent
Local Exchange Carriers Rates for Interstate Special Access Services,
RM-10593**

Dear Ms. Dortch:

On October 6, 2006, Frank Simone, Christopher Heimann, and the undersigned met with Don Stockdale, Al Lewis, Deena Shetler, Jay Atkinson, and Dick Kwiatkowski of the Wireline Competition Bureau to discuss special access pricing trends since pricing flexibility first was granted.

Specifically, we reiterated the position taken by SBC Communications Inc. (now AT&T Inc.) in the pending special access proceedings that the Commission should continue the deregulatory transition it set in motion so that market forces, rather than regulation, will drive the future of special access services. In addition, we reviewed the attached special access pricing analysis that demonstrates a trend similar to prior SBC analyses already placed on the record in the above-referenced proceedings.

Pursuant to Section 1.1206(b) of the Commission's rules, one copy of this letter is being filed electronically. Please place a copy of this letter in the record of the above referenced proceedings.

Please contact me with any questions at 202-457-3027.

Sincerely,

/s/ Sarah L. Green

CC: D. Stockdale
A. Lewis
D. Shetler
J. Atkinson
D. Kwiatkowski

Special Access Pricing Analysis

WCB 05-25

AT&T Inc.

October 6, 2006



Purpose

- AT&T undertook an additional analysis of its special access services for the years 2001-2004, representing time periods before and after pricing flexibility was granted.
- The purpose of this analysis was to demonstrate the change in average revenue per DS1 equivalent.

Methodology

AT&T conducted its special access pricing analysis from 2001-2004 by:

- converting all of its special access circuits to DS1 equivalents,
- gathering all revenues associated with these circuits,
- including MVP discounts,
- dividing the remaining revenues by the channel termination equivalents to arrive at an average revenue per DS1 equivalent.

Results

Revenue Per DS1 Equivalent Analysis

- Consistent with similar previous special access filings, this analysis shows a decline:

	December 2001	December 2002	December 2003	December 2004
Revenue Per DS1 Equivalent	\$167.63	\$156.09	\$144.61	\$138.16

